Business Plan Proposal for Online Body Conditioning (CNAC Online Body Conditioning – Manila, Philippines)

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Abstract:

INTRODUCTION

The Corona Virus, also known as Covid 19, is a virus that can cause sickness and pass from person to another. Many people are not actively involved in their normal individual or physical athletic activities outside of their houses because of the pandemic. Many people in such situations are physically active, spend more screen time using their gadgets, have erratic sleep, and poor diet, resulting in weight increase and loss of physical fitness. Low-income families are especially vulnerable to the negative effects of stay-at-home regulations because they often have worse accommodations and more constrained environments, making physical exercise more difficult. (Bas, Venne, Pollack, & Martin, 2020).

Body Conditioning is the most essential structure of exercise that targets the whole body. It focuses on flexibility, muscular endurance, cardiovascular fitness, developing strength and resistance training. (Bubnis, 2019). These essential forms of body conditioning will help every individual to maintain a healthy body and become physically fit. Through this pandemic, many people have figured out a way to earn money by selling and creating online training workouts or programs and creating social media platforms to find online personal trainers. According to Spraul (2020), Online personal training has altered the perception and it has become a new advancement in fitness. There are so many websites that offer workouts and training

programs. But there are many types of personal trainers. The simplicity of virtual muscle training is very attractive, and that's why many high-profile trainers started to use e-commerce to promote their websites and businesses to earn a large amount of money. It's easy to see why every individual wants to try it.

The subject of this proposed business plan is a small enterprise, with its business named CNAC Body Conditioning, and located on different kinds of social media platforms like Facebook Page and Instagram. This small enterprise offers innovative and effective training programs that fit based on an individual's physique and help any person who wants to improve their skills and become healthy physically and mentally. The business offers also online and face-to-face sessions depending on the client's choice.

The purpose of this paper is to provide tools and create training programs that fits to the client's needed to achieve their specific health and fitness goal. The business plan proposal shall respond to the following statements regarding the problem.

1. What is the importance of having a suitable program in place for each workout clients perform?
2. How effective is our program for the clients?
3. What challenges are the clients facing during the online session?
4. How do clients adapt to the challenges during the online sessions?

RESEARCH METHOD

This paper shall adopt the case study approach. According to Crowe (2011), case study approach is especially effective for obtaining a comprehensive understanding of a subject, event, or phenomena of interest in its natural real-life environment. Based on our experiences we must conduct a range of case study,

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reflect on whether to consider utilizing this method and discusses the key steps involved and illustrated below.

BUSINESS CONCEPT

Business concept is a statement defines the scope and purpose of a certain company idea. It encapsulates the key features that characterize the company or organization. In a study conducted by Pahwa (2021). The underlying notion driving a firm is known as its concept. Based on this idea, the company develops its business model, strategy, vision, and mission. Business concept serves as a basis to create strategies and paths to meet your business goals.

MARKETING PLAN

According to Kotler P. & Keller K. (2019) A marketing plan is a strategy outlines the particular marketing activities that will be used to accomplish a company's strategic goals with the customer as the main focus. Marketing plan is also an operational document which describes an organization's advertising plan for promoting products and reaching its potential customers. Marketing plan strategy outlines the communication and public relation activities that will be implemented over time, as well as how the company or organization will assess the impact of these efforts.

ORGANIZATIONAL STRUCTURE

Organizational structure is group of work positions into formal teams or departments that are linked together in a coordinated way. According to Kenton (2022), organizational structure is a system where activities are carried out to achieve the goals of an organization. Roles, rules and obligation are examples of such activities. These such activities are the fundamental concept that helps the organization be organized and administrated.

LOCATION PLAN

According to Jalan (2022), to choose the correct taxes, zoning rules, and regulations, you'll need to make a smart selection about the state, city, and neighborhood where your business will be placed. A well-planned site may assist you in increasing your market share, lowering labor and raw material costs, reducing risk, and capitalizing on local laws and policies. It also has an impact on the aspects that drive your operations, such as profitability, scalability, and expenditures. According to the researchers, location plan itself is studied in fields as diverse as spatial planning and supporting document that required by a planning authority as part of planning application.

FINANCIAL PLAN "INVESTMENT PLAN"

When launching a small business or a startup, you must develop financial predictions for your company. A financial strategy in a business plan might assist you assess your company's possibilities of financial success. Investors want to see a financial plan in order to determine how much money they will invest and what their projected return on investment will be (Ferriolo, 2022). It is a full evaluation of a person's current and future finances in a given time and taking this information to plan the future. Financial plan is important in presenting the three main financial documents of any business, such as the balance sheet, the income statement, and the cash flow statement, to demonstrate a business as well as the projected income.

Result and Discussion

This business plan's findings have shed light on the distinctions between other body conditioning businesses and the suitability of the program for clients with stable conditions and under good control. Due to the limitations of the current research, the results should be interpreted. Information on the research process is provided in this chapter, including the business concept, marketing plan, organizational structure, location plan, and financial plan. Discussions are had regarding the design's drawbacks and prospective consequences, as well as the

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implications for how the outcome should be interpreted. The chapter concludes with a number of suggestions for additional investigation.

BUSINESS CONCEPT

I. Business Idea

This business idea was formed through brainstorming. The group decided to push this business because many coaches are getting rich and successful by creating and selling their own programs. The business idea is Online Body Conditioning, with its business named CNAC Body Conditioning, and it can be found on different kinds of social media platforms like Facebook Page and Instagram. This small enterprise offers innovative and effective training programs that fit based on an individual's physique and help any person who wants to improve their skills and become healthy physically and mentally. The business offers also online and face-to-face sessions depending on the client's choice. CNAC Body Conditioning aims to provide a good service and sell quality training programs at low cost.

II. Business Mission & Vision

MISSION

The CNAC Body Conditioning is committed to provide conditioning equipment's and create training programs that fits to the client's needed with objectives to improve athletic performance, developing good relationship through coaching, build a better shape of character and helps to achieve their specific health and fitness goal. The CNAC Body Conditioning will have a Year-round assessment by coaches and trainer's department to ensures that the services are fostering the unique skills needed for the clients to excel in their sport.

VISION

The vision of CNAC Body Conditioning is to develop and effectively impact the lives of the client. By educating the clients on the importance of rest, sleep, nutrition, prescribing proper training loads, and emphasizing the need for quality reps, the CNAC will prioritize their health to lowers the chance of injury.

III. Business Name/Logo/Trademark

This is the logo of CNAC Body Conditioning.

The business name is from the surname of Calado, Nadera, Awingan, and Cabero and since the group thought was body conditioning, the group combined it and formed the name CNAC Body Conditioning. The big logo with someone holding a barbell represents the CNAC Body Conditioning. The group uses the green and gold color as a representation of being an educator of FEU Tamaraws carrying fortitude, excellence and uprightness to serve the athletes and other clients well. Sports of all types can be seen at the bottom of the logo. This doesn't imply that CNAC Body Conditioning will teach in the fundamental skill of various sports, but rather it will teach and help the client in strengthening their bodies so that even if they quit practicing for their sports, their physical condition will still exist. CNAC Body Conditioning will be a big help to accomplish this goal.

MARKETING PLAN

I. Market/Industry Overview

The Philippines is ranked as the world 13th healthiest country. The 7,640-island country nearly religiously searches Google for information on fitness and dietary trends. Between 2013 and 2018, the Philippines opened new fitness facilities at a CAGR of 7%. Between 2018 and 2023, the fitness market in the Philippines is expected to grow at an 8% CAGR, according to experts. As the fitness gym continues spreading in metro Manila and Quezon City, more Filipinos are engaging fitness club craze. In 2020, 23% of Filipinos belonged to a gym, and 49% of those club members went to their local gym many times per week. However, the statistics also show which faces are most (and least) likely to be found in Filipino gyms. Both Millennials and men are more frequent travelers (53% vs. 44%). In the Philippines, 26% of those aged 25 to 34 were gym goers, compared to only 17% of people aged 55 and beyond. Ages 45 to 54 are also more inclined to join a local gym than a national franchise. Income has an impact on who exercises the most. Surprisingly, 61% of middle-class earners—those making between ₱852 and ₱1,491 per month or ₱43,828 and ₱76,669—didn't exercise frequently. (Billitz, 2022).

II. Product/Service

CNAC Body Conditioning provides a variety of training programs based on the customer's needs, such as lower body conditioning and upper body conditioning, to enhance endurance, develop flexibility, and establish a balanced, stable physique. In addition, face-to-face coaching and online consulting are available.

III. Unique Selling Proposition

The body is the only place you can live, therefore take good care of it. This business helps males achieving an exquisite physique and help women to attain good body posture in a genuine way. The service of CNAC Body Conditioning can provide anything you want to improve your skills and ability in sports. Furthermore,

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the business provides you with concrete and outstanding training programs and strategies to build muscle, enhance agility, improve endurance, introduce plyometrics, proper nutrition, rehabilitation and injury prevention to help you in preparing for any physical activities. “THE HARDER YOU TRAIN, THE BETTER THE OUTCOME”, that’s the tagline of CNAC Body Conditioning. The company will guarantee that all busy clients will get a complete work out in just 30-40 minutes with free services and discounts. The company will offer complete privacy and separate training areas for those who want a quiet and convenient place to work out.

IV. Target Market

The company will primarily target those between the ages of 18 and 25, from the middle to upper classes, and those currently employed. It is available for both male and female Filipinos of any gender. The company also targets athletes from high schools and colleges in Metro Manila.

V. Distribution Channel

The business-to-consumer distribution approach is used. The company is based in Metro Manila, close to Morayta. Coaches Mr. Calado and Mr. Nadera's offer program is now provided to the customers directly. Furthermore, there is no need for delivery here to receive the training programs because they can be obtained it through online or by visiting the office, where Mr. Cabero, the Manager of CNAC Body Conditioning, will help the client, and payment will be made to our Cashier, Ms. Awingan.

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VI. S.W.O.T Analysis

This Strengths, Weaknesses, Opportunities, and Threats Analysis (also known as a SWOT Analysis) was conducted so that CNAC Body Conditioning could learn more about its internal opportunities and threats, as well as its strengths and weaknesses.

Strengths	Weaknesses	Opportunities	Threats
1. Hassle free **2.** Cheaper cost **3.** Quality training programs and services **4.** Availability **5.** Costumer reach	1. Many competitors 2. Internet problems 3. Start-up cost 4. Security 5. Trust	1. Rising health consciousness 2. Additional equipment's and services 3. Work from home 4. Online teaching	1. Competitors strong branding 2. The program of business may be copied 3. Geopolitical uncertainty 4. Technological advances

VII. S.W.O.T Strategies

Strategies	Action Plan
S.O Strategies S1 and O3 – Convenient service S3 and O1 – Quality service S4 and O4 – Accessibility S5 and O2 – Scalability	 Wi-Fi connectivity 24/7 Costumer protection 24 Hours Access Customer discounts
W.O Strategies W1 and O2 – Overcrowded W2 and O3 – Poor customer service	Additional facilities

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W4 and O4 – Poor knowledge W5 and O1 – Lack of trust	Cut costs and spend resources to acquire new clients Utilize technology to save time and energy Consistency in all actions
S.T Strategies S1 and T4 – Quick services S2 and T1 – Positive customer reviews S3 and T2 – Imitations S5 and T3 – Promotion	 Improve customer service and gain a competitive advantage Customer incentives Seek intellectual property rights Advertising
W.T Strategies W1 and T1 – Market shrinking W2 and T4 – Poor communication W4 and T2 – Plagiarism W5 and T3 – Laws	 Make service interesting and lower the price Build a strong internet connectivity Use secure resources and right tool Consult to a knowledgeable attorney

ORGANIZATIONAL STRUCTURE

I. Key Operations

The company's key operations include marketing, promotions, online coaching, continued professional development and training and customer retention. Marketing and promotions are needed to attract potential and new customers through various campaigns using offline, traditional and online modes. Online coaching will be the company's core and main business, while it is important and imperative for employees and coaches to have continuous training and professional development, as well as maintain and retain avid and loyal customers.

II. Organizational Structure

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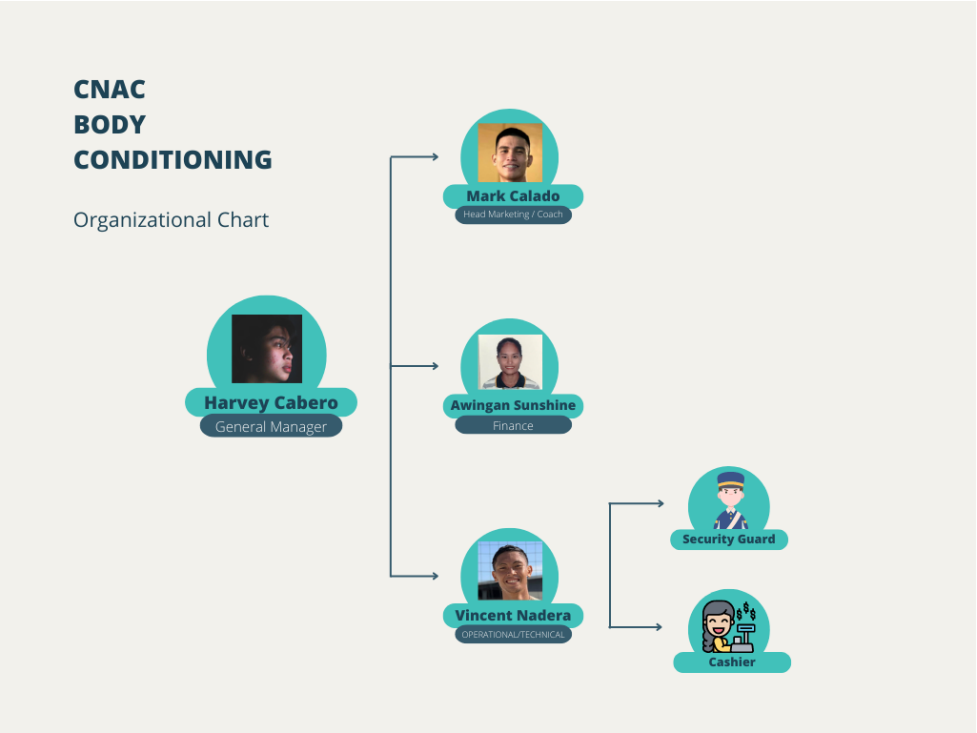

The organization includes four (4) top committee and two (2) different types of rank files employees that will help run the business in overall activities and projects. Our business type small-scaled will be headed by one of the partners (this will not imply that the person on the top is the superior member) an acting head has to lead the company and project for organized set-up. Under the manager are the important department such as *Marketing, Finance, and Operation* headed by the mentioned names – thus, the positions under its department will hold by its department head as well. (e. g Marketing Head will hold the area/ position of Market Researcher and Advertising Administrator) The point of specifying positions under departments is to know what job description has to be fulfilled even without having different person under and not necessarily mean will employ another person. The rank-and-file employees are the operations' security guard and cashier positions that we will open during recruitment.

I. Job Description

Job Description	Job Specification	Job Responsibilities	Job Qualifications
Security Guard	By ringing alerts, he elicits assistance. Prevents loss and damage by reporting abnormalities. notifying policy and procedure violators. and restricting trespassers. A night shift employee.	Secures property and people by patrolling. monitoring surveillance equipment; inspecting buildings, equipment, and access points; and granting access.	1–2-year experience is preferred. (VACANT)
Cashier	Collects payments by accepting cash, check, or charge payments from customers and makes change for cash customers. Verifies credit acceptance by reviewing and recording driver's license numbers and operating credit card authorization systems. Balances cash drawer by counting cash at beginning and end of the work shift.	Manage transactions with customers using cash registers. Scan goods and ensure pricing is accurate. Collect payments whether in cash or credit. Issue receipts, refunds, changes or tickets. Redeem stamps and coupons. Cross-sell services and introduce new ones.	High school diploma or equivalent. Customer service or cashier experience. Ability to handle transactions accurately and responsibly. High level of energy with strong customer service skills. Basic math and computer skills. (VACANT)

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Coach	He/she is the one who creates upper body, lower body, and other training regimens. He/she will show our clients how to perform various workouts in the appropriate configuration.	Develop effective job coaching and employment plans Communicate with clients to understand their goals and ambitions Assist clients to discover and overcome their personal barriers and set goals Assess the strengths of individuals and teach them to use them effectively Guide clients in learning to complete job tasks Help in the development of motivation and skills	Bachelor's degree in human resource management, psychology, or a related field is preferred. Proven experience working as a job coach. Sound knowledge of different jobs and career paths. Proficiency in all Microsoft Office applications. Strong problem-solving and analytical skills.

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General Manager	to be in charge of the local business unit's workforce, finances, and operations.	Budget management and expenditure reduction Maintain staff motivation and productivity. Create a growth plan and goals.	Proven experience as a General Manager or other senior executive position Planning and budgeting expertise Understanding of business processes and functions (finance, HR, procurement, operations etc.) Excellent analytical skills Outstanding communication abilities Excellent organizational and leadership abilities Problem-solving ability BSc/BA in Business or a related discipline; MSc/MA preferred.

Marketing Head	He/she is the one in charge of Promoting the company, services, goods, or brand. They create marketing and pricing strategies, generate new business leads, and manage the marketing department's employees. They also manage marketing expenditures and do trend analysis. There is no credit card necessary for this trial.	oversee all marketing efforts for their organization or department The strategy must be implemented. Promote a company, product, or service. Ascertain that the organization is delivering the appropriate messaging in order to attract new consumers and maintain existing ones. Represent the marketing team in cross-functional groups such as product management, sales, or customer service. Updating top management on the status of marketing operations and reporting campaign outcomes	Come from a wide range of academic backgrounds, including marketing, communication, business, and other disciplines. Bachelor of Science Some businesses demand marketing managers hold a master's degree. 7 years of professional experience

Finance	a professional who is in charge of an organization's financial health to ensure long-term success, they do reliable data analysis and advise top management on profit-maximizing ideas.	Manages corporate procedures, administration, and finances. Keeps the accounting system running. To accomplish business and corporate goals leads planning and forecasting operations with business partners. Examines financial reports Prepares financial projections. Financial information is monitored to guarantee legal compliance. Revenue, costs, cash flows, and balance sheets are all examined.	BA or BS in economics, finance, accounting, economics, or related field 3-5 years of managerial experience.

II. Salaries and Benefits

The income is based on the level of responsibility; for example, the manager, marketing in charge, finance, operational/technical, cashier, and security guard have varying rates related to the level of responsibility of their respective jobs.

The company's payroll is likewise aligned with the basic rate for employees earning above the minimum wage and includes deductions for governmental benefits such as PHILHEALTH, SSS, and PAGIBIG.

Job Position	Monthly Basic
Business Head/Manager	₱30,000.00
Marketing Services	₱25,000.00
Financial Services	₱25,000.00
Operational/Technical	₱25,000.00
Cashier	₱15,000.00
Security Guard	₱13,000.00
Total	**₱134,000.00**

Pag-ibig		SSS		PhilHealth	
Employee's Share	Employer's Share	Employee's Share	Employer's Share	Employee's Share	Employer's Share
₱600.00	₱600.00	₱1,125.00	₱2,155.00	₱600.00	₱600.00
₱500.00	₱500.00	₱1,125.00	₱2,155.00	₱500.00	₱500.00
₱500.00	₱500.00	₱1,125.00	₱2,155.00	₱500.00	₱500.00
₱500.00	₱500.00	₱1,125.00	₱2,155.00	₱500.00	₱500.00
₱400.00	₱400.00	₱900.00	₱1,730.00	₱400.00	₱400.00
₱320.00	₱320.00	₱720.00	₱1,390.00	₱320.00	₱320.00
₱2,820.00	₱2,820.00	₱6,120.00	₱11,740.00	₱2,820.00	₱2,820.00

https://philpad.com/new-sss-contribution-table/

Table 2. List of Contributions per Job Position

Job Position	Monthly Basic	Pag-ibig	SSS	PhilHealth	Total
		Employer's Share	Employer's Share	Employee's Share	
Business Head/Manager	₱30,000.00	₱600.00	₱2,155.00	₱600.00	₱33,355.00
Marketing Services	₱25,000.00	₱500.00	₱2,155.00	₱500.00	₱28,155.00
Financial Services	₱25,000.00	₱500.00	₱2,155.00	₱500.00	₱28,155.00
Operational/Technical	₱25,000.00	₱500.00	₱2,155.00	₱500.00	₱28,155.00
Cashier	₱15,000.00	₱400.00	₱1,730.00	₱400.00	₱22,530.00
Security Guard	₱13,000.00	₱320.00	₱1,390.00	₱320.00	₱18,030.00
Total	**₱134,000.00**	**₱2,820.00**	**₱11,740.00**	**₱2,820.00**	**₱158,380.00**

https://philpad.com/pagibig-contribution-table/

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III. Quality and Safety Measures

Management will ensure that appropriate systems are developed and maintain for the effective communication of health and safety matters through our organizations.	✓
Train the staff to respond appropriately to emergency situations	✓
Proper nutrition and hydration requirements to get the best out of the workout.	✓
Gear up/use of proper training.	✓
Check self-practice proper hygiene and care.	✓
Seek medical attention.	✓
Ensure first aid supplies are readily available throughout the facility.	✓
Ensure the guest access and in participation schedule.	✓

IV. Plan, Properties and Equipment's

Estimated Cost	Total
PROPERTY EXPENSE	
Land, Buildings and Furniture's	*P850,000.000 (Quote from an engineer)*
EQUIPMENT	
FOUR SETS OF COMPUTERS	*P150,000.00 (PC Express)*

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GYM EQUIPMENT	
OLYMPIC FLAT BENCH - (2-inch Diameter Bar)	*15,750*
RP SMITH MACHINE W/ LINEAR BEARING (PLATE LOADING)	*38,850*
ROMAN CHAIR	*8,400*
LAT PULL-DOWN MACHINE W/ ROWING	*18,900*
LEG PRESS - Olympic	*28,350*
REVERSE FLYES with PEC DEC - Selectorized	*28,350*
HACK SQUAT - Olympic	*28,350*
LEG PRESS/HACK SQUAT COMBO (HEAVY DUTY)	*33,600*
SELECTORIZED LAT PULL-DOWN MACHINE W/ ROWING	*26,250*
FIX DUMBBELLS 5LBS TO 50LBS WITH RACK	*44,100*
SAFETY CATCH	*3,150*
DIPS ATTACHMENT	*4,200*
LAT PULL-DOWN STOPPER	*2,100*
ROWING FOOT PEG	*2,100*
J-HOOK	*2,100*
DEAD LIFT RACK	*2,100*
Treadmill 3pcs	*140,000*
Stationary bikes 3 pcs	*18,000*
Kettle Bell Set	*9,000*
Fitness Ball Set	*5,000*
Fitness Mattress 30pcs	*33,000*
Speakers	*15,000*
TOTAL	*506,650*

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Gym Depot Package Price	*500,000*

Basis: Medical shop.ph, PC express, Gym Depot, Business News.

V. Government Regulatory Permit

- Barangay clearance- get from the local barangay where the business is located.
- Mayor's permit/Business Permit- getting a business from the mayor's office ensures that the business is safe to operate under the city or barangay ordinance.
- Bureau of Internal Revenue (BIR)
- Department of Health (DOH/health care services permit)
- Zoning and building permit/certificate of occupancy- permits that need exterior signage.
- Department of Trade and Industry (DTI)
- Fire Safety Certificate
- Securities and Exchange Commission – Partnership
- Sanitary Permit

VI. Gantt Chart

	Month	Jul		Aug		Sep		Oct		Nov		Dec		Jan
TASKS	**Week**	**1**	**2**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**
Brainstorming/Planning														
Start business plan														
Consultation and submission of Introduction and Methodology														
Consultation of Business Concept														
Consultation of Marketing Plan														

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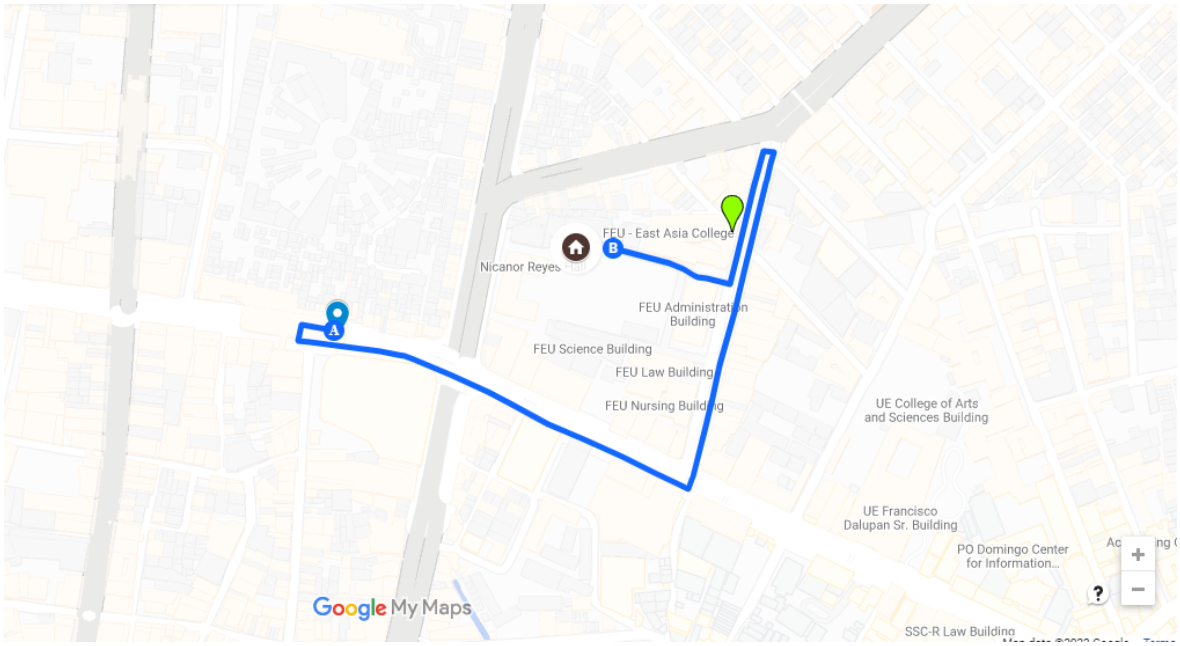
Consultation of Organizational Structure														
Consultation of Location Plan														
Consultation of Financial Plan														
Finalizing business plan														
Start marketing store														
Prepare a soft opening														
Launch														

LOCATION PLAN

I. Vicinity/Location Map



The place that CNAC Body Conditioning chose to stand in Metro Manila in the area of Morayta of 185 square meters which size is applicable enough. The Company has found the optimal place where we can start CNAC BODY

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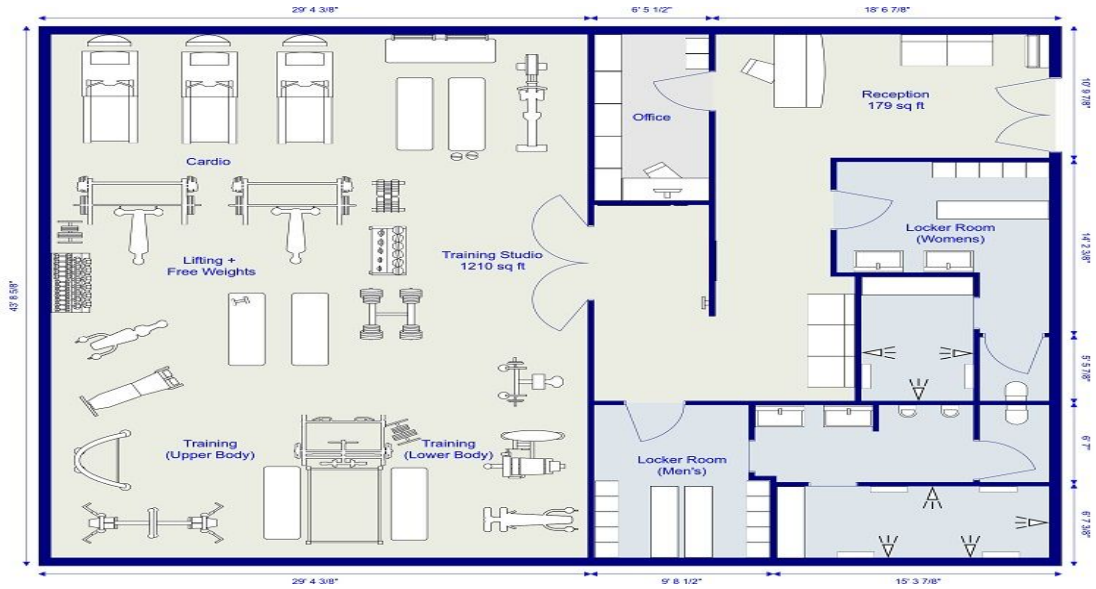
CONDITIONING. The location that has been chosen in Morayta specifically address is R. Papa Street, Morayta Sampaloc Manila the location is an optimal place as it is easy to access and close to different schools and offices. Manila has abundant amount people in different residencies and is surrounded by different schools. The area is as well convenient and wide for the equipment to be placed inside. And also safe for the people surrounding it.

II. Floor Plan



As demonstrated in the gymnasium layout, the area of the Training studio is located on the left. And The girls' and boys' locker rooms are on the right side near the entrance of the gymnasium. Also, on the right side is the office of the CNAC BODY Conditioning personnel.

III. Cost Estimated of Building Construction

STRUCTURE	AVERAGE COST
Lobby	*183, 481.5*
Office	*144, 950*
Men & Women's Locker	*366,963*
Gym Area	*110,088.5*
TOTAL	*805, 483*

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Contingency/Unforeseen Expenses	*44,517*
TOTAL	***850,000.00***

Source: RLB intelligence. (2022, July 19). RLB | Construction Cost Calculator. https://www.rlb.com/ccc/?fbclid=IwAR2TnWBfEOCT4yQbQqr4Hac3D0R7Agr7jPVUjKrM-hpl-HfDS5fN4IVFmmM#construction-cost-indicatorr

IV. Building Permit

A building permit is a document that the city or municipality issues and posts on the job site authorizing a certain building activity. Before CNAC Body Conditioning starts any renovation work, it must get a construction permit from the local building department. Inspections are permitted with a building permit and are essential to the project's advancement. The CNAC will go to the office of the Building Official in the City of Manila to apply for build forcing permit, fill out forms and submit them. After their submissions, the office will be given an acknowledgment slip and usually wait after ten (10) working days. On the given date, the CNAC will go back to the office and this time, the documents are already accepted and approved. The office will give an order of payment. Proceed to Treasure e's Office and pay the necessary fees. After five (5) working days, Building Permit is ready to be claimed.

FINANCIAL PLAN

CNAC Body Conditioning is a partnership registered in the Securities and Exchange Commission. The finance officer shall be responsible for all the financial needs of the company including but not limited to collection, budgeting accounting and all related financial paperwork.

I. General Assumptions

The capital of CNAC body conditioning is Three Million Pesos (P3,000,000.00) in lawful currency of the Philippines. The partners Agreed to contribute P750,000.00 each. Partners will act as the company's executives. Thus, the partners will reinvest in their compensation in the company for 12 months to promote cash flow with an equivalent amount of P1,104,000.00.

The capital amount plus executives' compensation is the initial investment for CNAC body conditioning that could be used for budgeting. The summary of contributions is presented below.

Partners	Contribution	Compensation Reinvestment per month
Partner 1	P750,000.00	P26,600.00
Partner 2	P750,000.00	P21, 800.00
Partner 3	P750,000.00	P21, 800.00
Partner 4	P750,000.00	P21, 800.00

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CNAC body conditioning is expected to be profitable after a year. Due to its marketing effort and quality products and services, including excellent customer care and service.

II. Project Expenses

CNAC Body Conditioning project expenses includes all amount needed for construction, beautification, customers convenience and services. Estimates presented below are from the current expected prices and amounts of different products and services in Metro Manila, Philippines.

Category	Amount
Building and Furniture	P850,000.00
Capital Equipment	P652,000.00
Location and Admin Expenses	
Rent	P40,000.00/month plus terms. P120,000.00
Utility	P20,000.00/month
Permits, legal and accounting fees	P20,000.00
Salaries and Benefits	P151,380.00/month *Executives' salaries will be reinvested to the business for 12 months Total expenses P59,200.00/month
Advertising and Promotional Expenses	
Advertising	P25,000.00
Printing	P5000.00
Other Expenses	
Other Expenses	P20,000.00
Contingency Fund	
Salary and benefits up to the 6th month	P151,000 x 5 months P755,000.00
Utility up to the 6th month	P10,000.00 x 5 months P50,000.00
Rent up to the 6th month	P40,000.00 x 5 months P200,000.00
Total startup Expenses	P2,819,200.00

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III. Capital Expenditures

CNAC Body Conditioning total available capital for budgeting is P3,000,000.00. Large portion of the amount shall be used to start the operation of the business. Available building in the above mentioned location will be leased to preserve cash-flow. Office and business operation shall be take place in the said building until the business is able to acquire its own property. Listed costs and amounts are from reputable suppliers in the Philippines. Summary of the company's capital expenditure is presented below.

ITEM NAME	Amount	Life	Annual Depreciation	Monthly Depreciation
Building and Furniture	850, 000	10	85,000.00	7,083.00
Computers	150,000	5	30,000.00	2,500.00
First Aid	2,000	5	400.00	34.00
Gym Equipment	500,000	10	50,000.00	4,167.00
Total	**1,502,000.00**		**165,400.00**	**13, 784.00**

IV. Cost Per Unit Of Product

CNAC Body Conditioning targets to cater middle to upper class individuals. The company will offer 2 services Gym facility use inclusive of water and locker and different body conditioning programs.

Gym Membership				
Session	Daily	Monthly	Quarterly	Annually
Amount	85.00	2500.00	7,500.00	30,000.00

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Gym Membership are based from the e-compare month article (2020) metro manila gym membership rates. The above-mentioned rates are competitive to other fitness centers.

Body Conditioning Program every 3 months		
Type	Upper Body Conditioning	Lower body conditioning
Amount	5,000.00	5,000.00

V. Sales Projection

Revenue (Sales) in Peso			
Month	**Program**	**Membership**	**Total**
October	100000	75000	**175,000**
November	50000	87500	**137,500**
December	25000	87500	**112,500**
January	150000	112500	**262,500**
February	100000	75000	**175,000**
March	75000	50000	**125,000**
April	75000	62500	**137,500**
May	100000	125000	**225,000**
June	150000	125000	**275,000**
July	150000	200000	**350,000**
August	150000	225000	**375,000**
September	150000	225000	**375,000**
Total:			**P2,725,000.00**
2023-2024			**P3,934,298.00**
2024-2025			**P4,042,491.00**
2025-2026			**P4,153,660.00**

According to Ken Research Private Limited (2019) Fitness centers in the Philippines are expected to grow up to 7 to 11 percent until 2026. CNAC Sales projection is based from the above-mentioned expected growth.

VI. Production Cost

Cost		
Month	**Miscellaneous**	**Total**

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October	20000	20000
November	20000	20000
December	20000	20000
January	20000	20000
February	20000	20000
March	20000	20000
April	20000	20000
May	20000	20000
June	20000	20000
July	20000	20000
August	20000	20000
September	20000	20000
Total:	**240,000.00**	

Miscellaneous includes Utility (10,000), Merchandise and Mineral Water (8,000), and Office Supplies (2,000).

VII. Operating Expenses

Expenses					
Month	**Rent**	**Utility**	**Wages**	**Miscellaneous**	**Total**
October	40000	20000	151000	20000	**231,000**
November	40000	20000	151000	20000	**231,000**
December	40000	20000	151000	20000	**231,000**
January	40000	20000	151000	20000	**231,000**
February	40000	20000	151000	20000	**231,000**
March	40000	20000	151000	20000	**231,000**
April	40000	20000	151000	20000	**231,000**
May	40000	20000	151000	20000	**231,000**
June	40000	20000	151000	20000	**231,000**
July	40000	20000	151000	20000	**231,000**
August	40000	20000	151000	20000	**231,000**
September	40000	20000	151000	20000	**231,000**
Total:	**P2,772,000.00**				

Monthly utility average declared. Miscellaneous includes office needs and Maintenance, water.

VIII. Financing Plan

The CNAC body conditioning will be financed by 4 partners, contributing P750,000.00 each and 1 year salary as CNAC body conditioning executives. Available cash for budgeting is P3,000,000.00 plus P92,000 every month for a total of P4,104,000.00 for the first operating year.

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IX. Profit and Loss Projection (12 Months)

Profit and Loss			
Month	**Income**	**Expenses**	**Total**
October	267,000	231,000	36000
November	229,500	231,000	-1500
December	204,500	231,000	-26500
January	354,500	231,000	123,000
February	267,000	231,000	36,000
March	217,000	231,000	-14,000
April	229,500	231,000	-1500
May	317,000	231,000	86,000.
June	367,000	231,000	136,000
July	442,000	231,000	211,000
August	467,000	231,000	236000
September	467,000	231,000	236000
Net Operating Income		**P1,057,000.00**	

Income is the sales projection per month plus 92,000 pesos reinvestment from the compensation of CNAC Executives.
Expenses are the summation of Rent, Utility, Wages and miscellaneous.

X. Statement of Financial Position Projection

CNAC Body Conditioning		
	October This year	**September Next Year**
Assets		
Cash in Bank	180,800	1,237,800
Inventory	8,000	8,000
Accounts Receivables	-	-
Other Current Assets	-	-
TOTAL CURRENT assets	188,800	1, 245, 800
Equipment and furniture	652,000	652,000
Leasehold Improvements	850,000	850,000
LESS accumulated depreciation	-	165,400 (Combined)
TOTAL fixed assets	1,502,000	1,336,600
TOTAL ASSETS	1,690,800	2,582,400
Liabilities and Equity		
Current Liabilities	-	-
Debt	-	-
Owners' Equity		

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Partner 1	750,000	1,026,000
Partner 2	750,000	1,026,000
Partner 3	750,000	1,026,000
Partner 4	750,000	1,026,000
Total Invested Capital	3,000,000	4,104,000
Total owners' equity	3,000,000	4,104,000
Total Liabilities and Equity	4,104,000	4,104,000

XI. Statement of changes in equity

Return on Equity = $\frac{\text{Net Profit}}{\text{Net Equity}} = \frac{891,600}{4,104,000} = 21.73\%$

Equity per partner = P**1, 026,000.00**

Returns per partner = P**222,950.00**

Changes in Equity for the year 2022-2023				
	Capital	Earnings	Revaluation	Total
First day	2,819,200	180,800		
Net profit		1,057,000		
Investment	1,104,000			
Revaluation loss			165,400	
Last day				4,995,600

XII. Statement of Cash Flow

Cash Flow (12 Months)

CNAC Body Conditioning						
	Oct	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**
Cash on Hand	180,800	216,800	215,300	188,800	312,300	348,300
Cash Receipts						
Cash Sales	175,000	137,500	122,500	262,500	175,000	125,000
Cash Inj.	92,000	92,000	92,000	92,000	92,000	92,000

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TOTAL Cash Receipts	267,000	229,500	204,500	354,500	267,00	217,000
Total Cash Available	447,800	446,300	419,800	543,300	579,300	565,300
Cash Paid Out						
Merchandise	8,000	8,000	8,000	8,000	8,000	8,000
Office supply	2,000	2,000	2,000	2,000	2,000	2,000
Gross wages and benefits	151,000	151,000	151,000	151,000	151,000	151,000
Maintenance	7,000	7,000	7,000	7,000	7,000	7,000
Advertising	3,000	3,000	3,000	3,000	3,000	3,000
Rent	40,000	40,000	40,000	40,000	40,000	40,000
Utility	20,000	20,000	20,000	20,000	20,000	20,000
SUBTOTAL	231,000	231,000	231,000	231,000	231,000	231,000
TOTAL Cash Paid Out	231,000	231,000	231,000	231,000	231,000	231,000
Cash Position	216,800	215,300	188,800	312,300	348,300	334,300

	Apr	**May**	**June**	**July**	**Aug**	**Sept**	**TOTAL**
Cash on Hand	334,300	332,800	418,800	554,800	765,800	1,001,800	
Cash Receipts							
Cash Sales	137,500	225,000	275,000	350,000	375,000	375,000	2,725,00
Cash Inj.	92,000	92,000	92,000	92,000	92,000	92,000	92,000
TOTAL Cash Receipts	229,500	317,000	367,000	442,000	467,000	467,000	3,829,000
Total Cash Available	563,800	649,800	785,800 0	996,800	1,232,800 0	1,468,800	4,009,800
Cash Paid Out							
Merchandise	8,000	8,000	8,000	8,000	8,000	8,000	96,000
Office supply	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Gross wages and benefits	151,000	151,000	151,000	151,000	151,000	151,000	1,812,000
Maintenance	7,000	7,000	7,000	7,000	7,000	7,000	84,000
Advertising	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Rent	40,000	40,000	40,000	40,000	40,000	40,000	480,000
Utility	20,000	20,000	20,000	20,000	20,000	20,000	240,000

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SUBTOTAL	231,000	231,000	231,000	231,000	231,000	231,000	2,772,000
TOTAL Cash Paid Out	231,000	231,000	231,000	231,000	231,000	231,000	2,772,000
Cash Position	332,800	418,800	554,800	765,800	1,001,800	1,237,800	P1,237,800

XIII. Financial Highlights

For the fiscal year 2022-2023	
Sales	1,668,000
Investment	1,104,000
Income	1,057,000
Total assets	2,582,400
Equity	1,248,900
Number of partners	4
% of return on equity	21.73%
Debt	0

Contingency Plans

While careful planning was involved in setting the strategic goals for CNAC Body Conditioning, it may be that these goals are not met. We have decided to set a zone of acceptability for meeting sales and financial objectives. For both sales and financial objectives, a 10% negative deviation from expected sales and projected returns on assets will be accepted. However, if sales objectives and returns on investment are less than 75% of projections, certain actions will be taken. These actions include:

1. For unacceptable sales levels during the first year: CNAC Body Conditioning will combat this problem by doubling social media and on-site promotions of CNAC Body Conditioning. Executives will personally arrange and carry out these promotions every day at peak hours. If sales do not increase within one month of the promotions, CNAC Body Conditioning will advertise in a larger area.

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2. For unacceptable sales levels: After 6 months of marketing services, sales will be evaluated. If

   Not meeting acceptable sales levels, CNAC Body Conditioning will consider contracting with local marketing specialists in Manila to carry out the on-site, and online promotions. This contractual relationship will be based upon sales commissions (to be determined by the specialists and CNAC Body Conditioning), thereby providing incentives for the specialists to generate sales.

3. For unacceptable business liquidity: In the event that the business lacks liquidity, CNAC Body

   Conditioning will examine their accounts receivable procedures to ensure that payment periods are just and that payments are being received in a timely manner. Also, cash flow projections will be reviewed to determine if unforeseen cash layouts/expenses are undermining the financial health of the business.

   References: uvm,edu, score.org, Projectionhub.com, upmetrics.co, Bplans.com

Supply and Demand Analysis

Supply and Demand Analysis - 5 Year Projected Plan						
Year	Previous Demand	Previous Supply	D and S Gap	Year	Projected Demand	Projected Supply
2018	5,500,000	6, 250,000	+750,000	2023	6,126,215	5,760,000
2019	5,619,900	6,250,000	+630,100	2024	6,294,686	6,350,400
2020	5,742,414	1,250,000	- 4,492,414	2025	6,467,790	6, 502,500
2021	5,867,599	3,125,000	- 2,742,599	2026	6,645,654	6,760,00
2022	5,995,513	6,250,000	+254,487	2027	6,828,409	7,022,500

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Codes and Themes of the Interview

NAME OF INTERVIEWEE: MIKE SABITCHANA
PERSONAL CIRCUMSTANCES OF THE INTERVIEWEE:
METHOD CONDUCTED IN THE INTERVIEW (F2F; VIRTUAL): VIRTUAL
PROOF OF THE CONDUCT OF THE INTERVIEW:

RESEARCH QUESTION	RESPONSE (Transcript)
1. What is the importance of having a suitable program in place for each workout clients perform?	*Having a suitable program aids the clients to target a specific strength - what's best and not. It is like identifying a major milestone to easily reach your destination.*

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2. How effective is our program for the clients?	*Well, I believe the program that we have designed is effective because I have also seen the result. We have joined several leagues and most often we reached the championship match.*
3. What challenges are the clients facing during online sessions?	*Since the pandemic started, online session is a new way of training. However, apart from internet connection issues, there are many distractions because not everyone has enough space to do the training.*
4. How do clients adapt to the challenges during the online sessions?	*Players have no choice but to be more pro-active. It is very challenging but that's how it should be done this time. As we gradually come back to do the actual/ physical training, I believe we can expect better results.*

Codes and Themes

RESEARCH QUESTION	TRANSCRIPT	CODES AND THEMES
1. What is the importance of having a suitable program in place for each workout clients perform?	*Having a suitable program aids the clients to target a specific strength - what's best and not. It is like identifying a major milestone to easily reach your destination.*	**Theme:** Achievement of destination. **Codes:** • Identifying client's specific strength; • Setting goal;

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2. How effective is our program for the clients?	*Well, I believe the program that we have designed is effective because I have also seen the result. We have joined several leagues and most often we reached the championship match.*	**Theme:** Effectiveness of program design. **Codes:** • Based on experiences • Joined leagues; • Won matches.
3. What challenges are the clients facing during online sessions?	*Since the pandemic started, online session is a new way of training. However, apart from internet connection issues, there are many distractions because not everyone has enough space to do the training* .	**Theme:** Hindrances in training **Codes:** • New way of training • Internet connection issues; • Many distractions
4. How do clients adapt to the challenges during the online sessions?	*Players have no choice but to be more proactive. It is very challenging but that's how it should be done this time. As we gradually come back to do the actual/ physical training, I believe we can expect better results.*	**Theme:** Adaptable to any situations **Codes:** • Being pro-active • Gradual comeback to regular training

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